

now, the next generation will look back and say, thank goodness they took care of that problem because we do not know what would have happened if they had ignored it like Europe ignored Hitler in 1938.

MEDICARE PRESCRIPTION DRUG BENEFIT PROGRAM

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I would like to discuss the need for a prescription drug benefit for seniors. I would also like to take some time to contrast what the Democrats proposed today and essentially what the Democrats have been saying as a matter of principle, what they would like a prescription drug benefit for seniors to be like and contrast that with what President Bush has proposed in terms of a prescription drug plan. I have to say that I must stress that I do not really believe that the President's proposal is one that really provides any significant benefit or prescription drug plan to seniors. I hesitate to even discuss it as a benefit program because I do not really think that there are many people, if any, that would benefit in a significant way from it. What the Democrats proposed today is very similar to what they tried to pass in the Congress, in the House, in the last session of Congress. Basically, it is simply an extension of Medicare.

Those of you who are familiar with Medicare know that right now if you are over 65, you are eligible for a Medicare program that essentially pays most of your hospital bills and also pays for your doctor bills if you agree to pay a premium of so much a month. It is somewhere in the neighborhood of 40 or \$50 a month. What the Democrats are saying is that we would simply expand Medicare to include a new part D, similar to the existing part B that covers your hospital bills; and the principle would be very similar to what you do now with your hospital bills.

Under the Democratic proposal, beneficiary seniors would pay a premium of about \$25 a month. They would have a deductible of \$100 a year. If, for example, your prescription drug that you have to buy on January 1st or 2nd is \$100, you would have to pay that out of pocket, but then after that \$100 expenditure out of pocket, the deductible, the rest of your prescription drugs for the remainder of the year would be paid for by the Federal Government, 80 percent, and there would be a 20 percent copay or coinsurance payment.

This is exactly what you have now for part B to cover your doctor bills. Then you would pay out of pocket for your essential coinsurance, in other words, up to \$2,000. After that, if you had additional coinsurance because you had tremendous drug bills, 100 percent

of the cost of the drugs would be paid for by the Federal Government. So most importantly, essentially, what is happening here is that for most people, most of their drugs, 80 percent of their cost would be paid for by the Federal Government with a 20 percent copay.

Before I get into the specifics, because I do want to do that, I want everyone to understand how significant this is and how important it is for seniors to have something that is just like what we do now under Medicare for their doctor bills, as opposed to what the President has proposed. The President spoke today before the American Medical Association, the AMA, the association of physicians. Basically, what he said is that he would provide for seniors who are in the traditional Medicare program, which is about 85 percent of the seniors, only a couple of things in terms of a drug benefit.

First of all they would get a prescription drug discount card which he claims would reduce their cost of prescription drugs by about maybe 10 or 15 percent, although I have to say that that is strictly voluntary. There is no reason why that kind of prescription discount card would really effectuate those kinds of savings. Then he said that if your prescription drug bills are above a certain amount, a catastrophic amount, say, \$5,000 or \$6,000, the Federal Government would pay for them. But for all the seniors who do not have tremendous, catastrophic drug bills and who remain in the traditional Medicare program, the only thing that they would be able to get is the use of a drug discount card, which most of them can get today on their own.

They do not need the Federal Government to do it. In other words, there is no guaranteed benefit that you are going to get any kind of Federal benefit to pay for your prescription drugs. The President makes two exceptions to that. On the one hand he says if you are below a certain income, and he does not define at this point what that income is, but if you are a low-income senior, below a certain income, he would give a \$600-a-year subsidy to help you pay for drugs. The other option is that if you join an HMO, if you agree to join an HMO or some other kind of private insurance, not your traditional Medicare program, then you can get your prescription drugs paid for in a significant amount. It is not clear how much. Basically, it might be 50 percent, it might be 60 percent of the cost, we do not know exactly, but you have to join an HMO in order to be able to have any kind of guaranteed prescription drug plan.

I want to say, Mr. Speaker, that I think that the way the President is going about this is very unfair, and it is not going to be helpful to most seniors. I say that because if you do not provide a guaranteed benefit under the traditional Medicare program the way the Democrats have laid out, similar to what we do now with part B for your doctor bills, then the likelihood that

most seniors are going to really benefit in any way is almost nil. I say that because we have the experience of seniors trying to join HMOs in some parts of the country, including my home State of New Jersey; and generally speaking that has been an utter failure. Most seniors, first of all, do not want to join HMOs because their choices of doctors and hospitals are severely limited. So one of the reasons why so few, less than 15 percent of seniors are in HMOs is because they want to have a choice of their doctors. They want to go to the doctor that they have been going to for years. They want to go to the hospital that is nearby. They do not want to have to be limited in what doctors or hospitals they go to. But in addition to that, there are a lot of parts of the country where there is no HMO, States, in fact, where there is no HMO available. So you do not even have the option.

Beyond that is the fact that in many States, including my own of New Jersey, and I can give you some examples, even when seniors initially joined HMOs, the HMOs eventually dropped them or they provided a prescription drug benefit initially that might have been fairly generous, maybe provided 60 percent of the cost of the coverage, but eventually increased the amount that the seniors had to pay out of pocket so much that the benefit was not even worth anything. In fact, there was a report that came out just a couple of weeks ago by Public Citizen's Congress Watch; and in that report they did a survey across the country that basically confirmed that Medicare privatization does not work for seniors. The report says that in my home State of New Jersey, nearly 80,000 of the seniors who were in an HMO in the last 2 years were dropped after basically the private HMOs concluded that it was simply not profitable to have them as part of the program.

The main thing I am trying to get across here, Mr. Speaker, is that even if you opted under the President's proposal for an HMO because that was the only way you were going to be able to get some kind of drug plan, there is no guarantee under the President's proposal what that HMO is going to provide you with in terms of a drug plan. So not only will most seniors not want to join the HMO, first of all, many seniors will not even be able to find the HMO. But even if they can find one, they lose the choice of doctors and hospitals; and even with that, there is nothing under the President's proposal that says that the HMO has to provide a specific type of prescription drug coverage or has to say that 80 percent or 60 percent of the cost is going to be paid for by the HMO. There is no guarantee. There is no benefit that is guaranteed. That is what we need. Seniors need to know that if they pay a premium, like the Democratic proposal, \$25 a month, that they have a defined deductible, \$100, that they have a defined copay, 20 percent, and the Federal Government is going to pay 80 percent of the cost.

The other thing that we do with the Democratic plan, which is totally different from the Republican plan, is we say in the legislation that the Secretary of Health and Human Services, who now represents about 40 million Medicare beneficiaries, has to negotiate with the drug companies to reduce the cost. We estimate that because he has the purchasing power, negotiating power of these 40 million or so seniors, that he is probably in a position to reduce costs for the prescription drugs maybe by as much as 30 percent. So you have a built-in discount, if you will, on your drugs that is required by the law before you even get to the point where the benefit program kicks in and you are paying 20 percent and you are getting 80 percent of your cost paid for by the Federal Government. So what the Democrats have proposed is really a good deal. The Republican plan, by contrast, really is no deal at all.

I wanted to go into some more specifics, if I could, about what the Democrats proposed today because I think it is important. This is a very important issue for seniors. I know a lot of seniors are asking what this is going to be about, whether we are going to have success, what the different proposals are; and if I could just go through a little more detail. As I said, House Democrats are committed to providing a comprehensive benefit that is affordable and dependable for all beneficiaries with no gaps or no gimmicks in coverage, exactly like what you do for your hospital bills. The Medicare contractors, those who contract, the drug companies, with the Department of Health and Human Services basically have to guarantee price reductions.

□ 2100

The Secretary has the authority to use the collective purchasing power of Medicare's 40 million. In addition, the proposal reduces drug prices for everyone by stopping big drug company patent abuses.

I should mention that as well, Mr. Speaker. I did not. That in democratic legislation we plug up some of the loopholes with the patent laws that make it easier for generics to come to market. So actually, everyone would benefit, not just seniors, because they would be able to get lower-priced generics, whereas now they are not able to because of patent extensions or abuses of the patent system by the named brand drug companies. So this is something that would actually benefit everyone, not just senior citizens.

The most important thing, though, Mr. Speaker, I have to stress, is that under the Democratic proposal, seniors do not have to leave traditional Medicare to get their drug coverage. They do not have to join the HMO, they do not have to give up the choice doctors or the choice of hospitals.

The Republicans talk a lot, and even the President has talked a lot about

choice, and somehow suggested that the nice thing about the Republican proposal is that seniors have a choice. They have a choice of staying in traditional Medicare, they have a choice of joining an HMO. But again, those kinds of choices which hinge on whether they get the coverage are not the kind of choices that I find that the senior citizens in my district want. They want a choice of doctors. They want a choice of hospitals. They want to know that they do not have to give those choices up in order to get a prescription drug benefit.

Secretary Thompson was on the Today Show this morning, and I just want to read one quote, and then I would like to yield some time to the gentleman from Texas (Mr. RODRIGUEZ) who has come down so often on the floor to talk about senior issues and health care issues in particular. But Secretary Tommy Thompson of the Health and Human Services Department was on the Today Show this morning, and this was quote that I took down. It says "Seniors are going to have choices. They are going to be able to stay on their own current plan and get prescription drug coverage with high out-of-pocket expenses if, in fact, they want to do so without additional cost, or they can go with an enhanced plan which is going to cost seniors a few dollars, but it is going to be a great program. It is going to be the same program that I have, that Senators have, that Congress has, that the President has."

What I do not understand is what if one cannot afford it, what if one does not have the option of paying more or what if one does not want to go into the HMO? Again, it goes back to the same old thing. Choice is not really an issue unless they have the ability to make the choice that is actually to their benefit, and the problem with the choices that the Secretary is providing and that President is talking about, they are choices that limit their other choices.

If they join the HMO, then they get the drug coverage. We do not know what drug coverage they are going to get, but they get something, but then their choices of doctors or hospitals are limited, and I know when we talk to senior citizens, they do not particularly like the idea that they have to join an HMO in order to get the drug coverage because the experience that they have had with HMOs has generally been pretty bad, and there are a lot of places where one cannot even join the HMO anyway.

So, Mr. Speaker, I would say, let us stop with the gimmicks. Let us stop with the suggestion that somehow the Republican proposal is going to give seniors something. It is not giving them anything unless they trade off something that is just as important, and I do not think that is a fair way to go about treating people who are senior citizens.

I yield now to the gentleman from Texas (Mr. RODRIGUEZ) who has spent a

significant amount of time on this issue and has been in the forefront on all healthcare issues including the need for a prescription drug benefit.

Mr. RODRIGUEZ. Mr. Speaker, first of all, I want to thank the gentleman for being here tonight and taking the time to talk to our constituents throughout this country about a critical issue, and that is prescription drug coverage. I still have a lot of my seniors that are still battling to pay, and we have been playing games. We have been playing games back and forth. So I am really angry at the proposal that has come before us, and I want to take this little time to talk a little bit about what the administration has proposed.

Mr. Speaker, today I came over to rise today to express my great concerns over the administration's answer to the prescription drug coverage and to their plan, one that he promises our Nation and he promised it during the presidential campaign, and he talked about addressing the problem of prescription drug coverage. However, I believe our seniors deserve better. They deserve more than the recent proposal that we have received from the administration. Today the President spoke before the American Medical Association and unveiled the major points of his plan. The President would create a prescription drug benefit for seniors who opt to leave the traditional Medicare program and enroll in private plans to get coverage. First, that presupposes that they have additional money to be able to pay about \$300 a month for that additional coverage. B, when we look at Hispanics, almost 48 percent, close to 50 percent, the only thing they have is Social Security, and they have no other form of income. So it becomes a little difficult.

Secondly, we have HMOs in my area, and I represent a lot of rural area. So PacifiCare, a lot of those companies have chosen not to provide access to care in the rural areas. So I have my rural constituency that have no options there and they are not going to be able to be served on this, and the reason they have had difficulties is because the profits have not been there for the private sector, and we understand that in this area one of the other difficulties is that also, in order for the senior to be able to qualify, they have to leave Medicare, which means that they would lose their ability to choose their own doctor. They also would not be guaranteed access to needed prescriptions.

The seniors would also even lose the access to their local pharmacies. So we have got to consider those things that are very important in those rural communities in terms of their pharmacies, in terms of seeing their own doctors. In addition, on top of that, it would be a complicated plan with enrollees having to dish more out of their own pockets and huge gaps in coverage.

So when we have seniors on fixed income, to expect them to pay more for

Medicare, where even the private companies are choosing to shy away because they cannot make the profits from our seniors because it is understood that when they become a senior, a lot of them get sick, and yet when they are healthy, they will take care of them, but as soon as they get sick, they will find a way to get rid of them. So this plan just does not work.

The President's plan also calls for \$400 million for the next 10 years, and we know this falls short of what is needed to adequately address the problem, and the Congressional Budget Office, and the President knows this, projects that the total drug spending by the Medicare population will grow from \$95 billion, not million, but \$95 billion, in 2003 to \$284 billion by 2013. When we boil this down, it means that seniors and disabled beneficiaries will be paying a lot more over time to cover the prescription drug cost.

Mr. Speaker, I have joined as original cosponsor of a House Democratic bill, which we call the Medicare Prescription Drug Benefit and Discount Act. This bill provides guaranteed relief for Medicare beneficiaries struggling to cover their expenses. In 1999, for example, 38 percent of seniors and Medicare beneficiaries with disabilities had no drug coverage. According to the recent studies also, the average annual out-of-pocket drug spending was \$996 in 2003.

And remember, this is, on the average, almost \$1,000 on the average per senior. So that means that there are beneficiaries living on fixed incomes who pay more than that figure right now. There are some that pay up to \$4,000 to \$5,000, and this is of the sickest and most vulnerable population in this country. The House Democratic bill established a part D prescription drug benefit under the Medicare program. It is a guaranteed benefit with a reasonable premium and cost-sharing plan. The plan gives the Secretary the authority to use the collective powers of the 40 million Medicare beneficiaries to negotiate fair drug prices.

And I would like to make one last point. Our States are right now in the middle of a budget crisis and are looking to the Federal Government for relief. The Medicare prescription drug benefit will provide vital help to these States. Not only will it help them to take care of that dilemma, but it also addresses a problem that we are encountering. Here we are, we are elected to come up here to address problems. We have a problem before us and what are we doing? We are playing games.

So we have the opportunity to address this problem by putting sufficient resources behind it and, secondly, helping the States take care of the most critical problem that they are encountering with their own budgets, and we could help them with that, and at the same time, help our seniors that are the most vulnerable. And we know that the private sector has difficulty making a profit on them because the reality is, as I had just indicated, for the

average senior it is close to \$1,000 per year in terms of prescription drug coverage.

So there is no way that the private sector and the insurance companies understand that. That is why they are shying away from the President's proposal because they know it is a sham. They know it is a little game that is being played. They know they are not serious about really addressing the problem that exists out there. And I have spoken to many of my State legislators from back home, and I know that they do not want to cut vital programs, but they will be making difficult decisions in the months to come.

One of the proposals that we have in Texas is considering the elimination of the CHIP program, and this has been brought up in Texas because of the fact that they do not have sufficient resources. That is the worst thing that could happen.

So I ask my colleagues, and I want to thank the gentleman again for coming before us, here we have a unique opportunity to revitalize the economy again and answer that problem in terms of putting some resources into the economy and addressing the problem of our seniors and helping the States to help with their budgets and their costs of which the highest cost that each of those States have usually is in the area of health.

So we have an opportunity to address this issue, and I was really extremely disappointed with the President and his proposal. It is a proposal that does not address the needs out there, and he had talked about it during the campaign when he was running for President about meeting that need. That was 2 years ago. He is going to be coming up again 2 more years from now, and this problem is still before us. We have a unique opportunity to address that now and to work on a bipartisan effort to try to respond to that, and I am hoping that we can make that happen. And once again, I thank the gentleman very much for being out here tonight and talking about this important issue.

Mr. PALLONE. Mr. Speaker, I want to thank my colleague from Texas. He brought up a bunch of points that I think are really important to stress, if I could just dwell on them a little bit. First of all, I think it is really important that we stress to everyone that the President was criticized by even some of our Republican colleagues because he basically, in his State of the Union address a couple of months ago now, said that the way they are going to get a prescription drug benefit under Medicare was if they joined an HMO under a private plan. A lot of people, even on the other side of the aisle, criticized that because they realized that seniors did not want to or could not, practically speaking, join HMOs or would not really benefit from it because it was not defined what kind of drug benefit they would get. The HMO would essentially decide. So I was hop-

ing today when he talked about this plan and defined it a little better that there was going to be something for people that were in traditional Medicare. But the only thing he came up with was a discount card which was nothing because they can go get one now.

Mr. RODRIGUEZ. It is a sham.

Mr. PALLONE. And he said that he was going to have some catastrophic above \$5,000 or \$6,000 out of pocket, but that is only going to be a very small percentage of seniors that have that kind of catastrophic drug coverage, and even there he did not define what it was going to be. But the one thing that he came up with that was new was this idea if they are very low income, they get a \$600 subsidy.

Now again, that is meaningless because, as the gentleman knows, for most seniors the \$600, first of all, we do not know how low their income has to be to get it, but for most seniors that is not going to be enough, either because their drug bills are very expensive, and what the Democrats have proposed, of course, is just a guaranteed benefit across the board for everyone. Regardless of income, they are going to get 80 percent of their bills paid for by the Federal Government.

And the one thing that I forgot to mention that I did want to mention was that in the same way, under part B now for hospital bills, if one falls below a certain income, the Federal Government pays the premium. That will be true for this program as well. So right now if their doctor bills under part B, if their income is low enough, they do not have to pay that part B premium, and if their income is a little better, then they would pay that premium on a sliding scale, because I have a lot of my constituents that do not pay that \$40, \$50 a month for the premium for their doctor bills because they are low income, or maybe they are only paying \$20 or \$30 on a sliding scale because they cannot afford it.

□ 2115

We do the same thing here. Low-income people, with the Democratic plan, that premium, that \$25, if you cannot afford it, it is paid for by the Federal Government.

The other thing that the gentleman said, and I think it is so important because I know in my home State this is so crucial, is under the Democratic proposal, because it is covering everybody, regardless of income, the money that States are putting out now, if they are already providing some kind of prescription drugs, they will have saved, because they will not have to put out that money.

For example, in my State, which is hurting right now, we have cut back on the CHIP program. We do not cover single adults. We do not even cover the parents now of a lot of the kids who are eligible for the CHIP program. Why we have had to cut back is because we want to continue to pay for a low-income prescription drug program which we now have, State financed.

But this money, if the Democratic plan is adopted, that money will go back and the States will not have to pay for that. So there is a significant savings to the States at a time when they are hard hit to pay for Medicaid, CHIP, and all of these other programs, that they will save that money and will not have to cut back on health insurance for children and other people who really cannot afford it. So there is a big savings there, a big benefit for the States. I forgot about that.

Mr. RODRIGUEZ. Mr. Speaker, if the gentleman will continue to yield, one of the things that I think that we forget is that one of the reasons why we have Medicare, and as I recall one of the stories about President LBJ, that I remember him having a lot of difficulties with the medical association and with the insurance companies over establishment of Medicare. I remember there is a little story where he brought in the insurance people, and the story goes that as he is talking to them, he says, "You know well that you take care of them when they are young and they are healthy, and as soon as they get old, that they are costing you." And we see the statistics here that most seniors on the average spend \$996 per year for prescriptions.

He told them, "You know you cannot make a profit on them, and we know that, and that is why you have been dumping them. You are dropping them off your plans." He said, "I will do you a favor. Let the Federal Government come forward with a plan that will respond to the needs of our seniors, because you are not meeting their needs." Finally they let go and allowed that to happen.

The industry right now also understands that they cannot make a profit on our seniors, because they know that our seniors are the most vulnerable in this country in terms of the ones that more likely will get ill and sick. Yes, there are seniors there that are healthy, and they will continue to make a profit on them. But as soon as they get sick, they are not going to make a profit.

That is why in my counties, and I can tell you about some of my HMOs that were not making profits in certain of my counties, they chose not to drop certain individuals; but they dropped the whole county. They are going to do the same here and choose not to participate.

That is why I think if LBJ were here, he would have established Medicare with prescription drug coverage back then, if we had been using prescription drugs for access to health care the way we do now. So it is important for us that if we really want to provide access to our seniors, then we need to look at affordable prescription drug coverage, but also access to prescription drug coverage.

The other issue I know we have not talked about is our pharmaceutical companies and the obligation they have to provide affordable drugs, which

we have had a difficult fight over. But the reality is now that the proposal that the administration has come forward with is again little games that are being played at the expense of our seniors, and I am sick and tired of that. I am tired, because our seniors are sincere when they come to us. They are sincere. They have tears in their eyes when the housewife says, I sometimes go without eating or without my prescriptions because I am buying them for my husband.

We ought to be ashamed of ourselves in this country if we do not work in terms of coming up with a plan that allows for appropriate, accessible prescription drug coverage for our seniors. This is not right. I am hoping we can go across the aisle and get Republicans and Democrats to come forward with a plan that responds to these needs.

When the President comes up again for reelection in 2 years for the Presidency, I want to ask him, and hopefully he will be able to take credit for coming up with a plan that responds to our seniors. At this point with what he has got, it is nothing; and it is not going to work when he comes up for reelection. I am hoping we can come up with a plan.

Once again, I want to thank the gentleman for being here tonight. I wanted to come up here and say my 2 cents worth, because I know when I get home, my seniors are concerned; and every time I go to church, they talk to me about those concerns, and I want to keep fighting until the day we can make it happen and be able to have access to good prescription drug coverage for our seniors in this country.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I appreciate the gentleman's comments. I do not want to keep prolonging the gentleman, because I see we have other speakers; but the bottom line is that the reason that Medicare came into existence from the beginning is because the private insurance market was not covering senior citizens.

This effort to try to bring HMOs into the Medicare program has not completely failed, but essentially it has been a failure, because less than 15 percent of the seniors are able to find an HMO or tap into an HMO that they want to use. So the notion that the President puts out that somehow privatization, taking money and going into the private insurance markets is going to work, it is not based on the historical fact. It is not based on what we have had to do in order to get seniors coverage.

The other thing that the gentleman from Texas mentioned that I thought was so important is he talked about the limitations that HMOs often put on the senior or the participant in an HMO program, not only in terms of choice of doctors or hospital, but also access to local pharmacies, that you cannot use your local pharmacy, or maybe you cannot use certain drugs. In other words, they will not allow you to

use certain drugs because they are too expensive.

In the Democratic program, we make it clear that you can go to your local pharmacy, because this is just like what you do with your doctor. You have a choice of doctors; you have a choice of pharmacies. You can go to any pharmacy, and they have to participate in the program.

The same is true with regard to the type of prescription you get. You are guaranteed that you can buy the prescription drug that you need. There are not going to be limits on what kinds of brands or whatever you are going to be able to access.

I see some of my other colleagues are here. The gentleman from North Carolina, I appreciate the fact that he came down here. I yield to the gentleman.

Mr. BALLANCE. Mr. Speaker. I wanted to thank my colleague, the gentleman from New Jersey (Mr. PALLONE), for this opportunity. I want to add my voice to that of my colleagues on this very, very important issue.

When I was running for this office, and I am a new Member, a little over 1 year ago when I started, and as I traveled around rural, poor eastern North Carolina, almost one-quarter of our State, my district covers 23 counties, the number one or number two, certainly the number three issue that always came up was that of a prescription drug benefit.

We kept talking to our constituents, and many of them were seniors. And I happen to believe that all across the country, this entire body put itself before our citizens for reelection, there were a lot of promises made on both sides of the aisle that when we get back to Washington we are going to enact a prescription drug benefit, many of us would say, for seniors.

I have a tremendous number of seniors in my district, particularly when it comes to those who are active and involved. I want to say in my prior life in the State legislature, we wrestled with similar issues that were important to seniors; and I always felt if you make a promise, you ought to keep it. And as I add my voice to that of my colleagues tonight, I really think of all of the voices all across northeastern North Carolina, across the rest of North Carolina and across this country, people who are hurting, who need help, who are demanding help. Many of these people, as the gentleman knows, are unable to afford their prescriptions. People are cutting pills in half and going without and taking one every other day, when they should be taking one every day.

Now, the President has proposed a plan that will not benefit these seniors, will not give them what we promised them. It will give them the label on the box, but the box is empty.

I am so proud that the Democrats have come up with a plan, and, very frankly, it ought to be bipartisan. It ought to be nonpartisan, because,

frankly, once we get elected, we ought to turn our attention to the people we represent. Our voices ought to mingle together like a choir, like a symphony, as we seek to produce those things that we have promised.

As I say, the time has come to deliver; and I am here tonight to support what I believe and what I see and what I have read to be an outstanding plan promised by the Democrats. It would ensure that even hard-to-reach rural communities, just like my district, are included equally in this much-needed and much-demanded prescription drug plan.

The premiums, as has already been said, would be affordable. The deductibles would be reasonable, and they would be similar to coinsurance.

I heard the gentleman from New Jersey (Mr. PALLONE) talk about \$25 a month, up to \$100 a year, and then an 80/20 plan. I think that is imminently reasonable and fair.

The other thing, this plan is inclusive. It reaches everyone. It is a simple plan. It is straightforward. It gives seniors and those with disabilities the coverage and the drugs they need, and that not only they need, but they have been promised. The plan covers catastrophic coverage. It takes special note to include the poorest Americans, people earning between 150 and 175 percent of poverty level. That is about \$13,500 a year. As I said, the coverage is fair and cost-effective, and in some cases it even has a sliding scale.

On the other hand, the plan that is proposed by the President would be very, very harmful to people in my district; and I consider it my responsibility, in particular, to speak up for those in rural eastern North Carolina and to say is this really a plan, or is this an empty promise?

This plan favors strongly HMOs. However, as we know from our history, HMOs are not particularly fond of rural and economically struggling communities; and, therefore, is this plan going to produce what it is promising, or is it going to leave our people holding a bag with nothing in it?

For years now we have been saying older Americans are being forced to choose between food and medication that they need. This plan would force seniors to choose between their doctors and prescription drug coverage.

Should Medicare benefits opt out of the President's plan, their only chance for drug coverage would be a discount card that we have also heard about tonight that gives a meager 12.4 percent discount. We know that that is little more than you can get with your bonus card at a supermarket. This is hardly the kind of relief that we need to give to our seniors.

The administration today claims their plan would provide eligible recipients with the same coverage afforded to Members of Congress and Federal employees. However, our researchers at the Congressional Research Service value the President's proposal as well

under half of what it provides to Members of Congress. The Democratic plan would provide coverage to everyone the entire year with affordable costs to Medicare beneficiaries.

□ 2130

This institution, known as the United States Congress, has a great history. There have been times that we have responded to issues that have arisen throughout the country. We know how to respond. We have the ability to respond. The question today is, do we have the courage? It only takes a little bit of courage to give an honest answer and to keep our commitment.

Mr. Speaker, I strongly encourage my colleagues to act now on a favorable plan.

Mr. PALLONE. I want to thank the gentleman from North Carolina, Mr. Speaker. He made a couple of points that I just wanted to elaborate on because I think they are so important.

The gentleman talked about the need for simplicity. It is true, the seniors, and not to say that the seniors cannot figure things out or that they are not sophisticated enough, but it is difficult for them oftentimes to figure out all these gimmicks.

If we look at the President's plan, there are a lot of gimmicks. It basically talks about this discount card. I have a lot of the drug companies in my district in New Jersey. They have all kinds of discount cards, but we have to figure out whether we are going to buy a discount card and how much of a percent we are going to get. There is no guarantee that we are going to get a particular percent.

The other thing is the gimmicks the HMOs are using. I remember when we first started the Medicare+Choice, where seniors were allowed to go into an HMO and use their Medicare to go into it. I started to see these advertisements in the local papers in New Jersey. One in particular said, if you came to a diner on Route 9 in Sayreville, one of my towns, on a given night, they would give you a free lobster dinner if you came and listened to the plan that was being offered.

All these senior citizens that I knew, because they came later to my town meetings and forums, went there because they got the gimmick of the free lobster dinner. It sounds funny, and I am kind of laughing; but it was sad because they ended up signing up. They did not know exactly what they were signing up for, what kind of benefit they were really getting with the HMO. They later found out that they had to pay a lot of money out of pocket, they were not allowed to go to the local pharmacy, and they were not allowed to have a choice of doctors.

It is very wrong, in my opinion, to put seniors into the position where they can be essentially tricked, because it is not simple. Our plan, the Democratic plan, is simple. It is just like what we get with doctors. As the gentleman did, he explained it in 30

seconds. We need that, not because seniors are stupid, but because they just—they should not have to face all these obstacles and all these difficulties in deciding what kind of a plan to take, because a lot of times they are lured into these things based on false premises.

I have seen it myself. I gave the example of the lobster dinner, and I can give a lot of other examples that are similar to that. The other thing that the gentleman mentioned which I think is so important, if we listen to the President and Secretary Thompson today, they keep talking about how they want to put seniors into a plan that is similar to the Federal Employees Health Benefit Program, what we have in Congress and what Federal employees have.

What they forget to mention is that what they have in mind is not exactly like what we get. They are talking essentially about a voucher system, where they give a senior citizen a lot of money like a voucher, and they go out and try to use it to get into an HMO or some kind of a private plan. That is not what we have. We have a choice of all kinds of plans.

I would venture to say that what the Democrats have proposed is more like what Congressmen or senior citizens get, because there is a guarantee that we are going to have a certain kind of prescription drug program.

I do not want people to get this idea that what they are proposing, what the President has proposed, is similar to what government employees get. It is not. Government employees do not have to make these choices in order to get the guaranteed benefit the way that the Republicans are proposing. They do not have to make those choices, and end up not having prescription drugs or having prescription drugs. It is not exactly the same thing.

Mr. BALLANCE. If the distinguished gentleman would just further yield, Mr. Speaker, I would say there has been a lot of talk about compassion. This is a great time for it to be shown. Anyone who has been in the senior centers that I have been in, that the gentleman has been in, that others of our colleagues have been in, and are going to go in again, we look around the room and look at these people who are there, and they are doing the best they can to get along in the world.

We are here, and we are their voices. I just hope the gentleman will continue to raise his voice and others will raise their voices on their behalf, and hopefully we can get a plan that will be beneficial to them.

Mr. PALLONE. I appreciate the gentleman and thank him for coming down.

Mr. Speaker, I yield to the gentleman from Texas (Ms. JACKSON-LEE), who has joined me so many times on this same issue. We may look a little weary, but we are trying, and we are going to get out there and talk about this prescription drug plan.

Ms. JACKSON-LEE OF Texas. Mr. Speaker, I thank the distinguished from New Jersey for yielding to me. It is refreshing to hear from the gentleman from North Carolina (Mr. BALLANCE), who has brought such a wealth of experience from the State legislature, and brings to the floor tonight his vast experience about seniors in North Carolina, which shows that this is so widespread.

Those of us who started in local government, and as the gentleman knows, I started in city council, saw these issues even before we came to Congress. That is why we are here night after night. We thank the gentleman for his leadership.

Mr. Speaker, I want to share an added story. It goes to the point of how one's position or issues can be misconstrued. I hope my colleague does not think I am going far awry, but it is an important point because sometimes even Members are misinterpreted.

One of my radio stations, KPRC 950 AM, called desperately this morning while I was in a Committee on the Judiciary hearing, wanting to get my response to the idea of the words "under God" in the Pledge of Allegiance.

Maybe because I have been so vocal on the question of going to war in Iraq, which is certainly a total different issue, it is a question of choices and options; and, frankly, I am going to discuss the fact that when we make choices and spend huge sums of money on war, there are questions about how we can spend dollars on needed prescription drug benefits; but they wanted to interview me about the words "under God," and did I not object to those words being in the Pledge.

It so happens that I am a rabid and avid believer that those words should be in the Pledge and should be allowed to be in the Pledge, and have voted accordingly, and have defended it on the basis that it is protected by the first amendment; meaning that as we say the Pledge, we are not mandated to say it, it is by choice; and therefore, anyone who chooses not to say it can; and if they choose to say it, it can be said readily, as it is. We will see what the court does with it, but I believe that "under God" is appropriate.

This is what happens when you mislead, or someone hears incorrectly what someone says or believes. I am getting to what I understand or perceive has been said this morning about the proposed Medicare prescription drug plan offered by the administration. It appears to be one that is tied to Medicaid, or Medicare, rather, and it is not.

I would like to hear from the President to clarify that, because it appears that there was the impression given that this is all right, it is a guaranteed Medicare prescription drug benefit; and Mr. Speaker, it is not. What it actually does is it forces seniors out of the Medicare program into HMOs, unlike the program proposed by the Democrats, which clearly indicates that we

are going to provide the safety net of a guaranteed prescription drug benefit under Medicare; an old shoe, if you will, and I do not want to interpret that as being a bad shoe, but something that we are familiar with and comfortable with; and we are going to strengthen the Medicare system. I think that is the way we should explain what we are trying to do.

Some would say, well, you are not fixing the Medicare system. The administration's proposal is new and fresh, and it is fixing it. No, we are going to strengthen a Medicare program that has actually worked. The difficulties in the Medicare program this Congress some years ago fixed when we attacked Medicare fraud; and when I say "fixed," we went after it. We are still monitoring Medicare fraud. I know the Committee on Commerce constantly is in review of Medicare fraud, and looking at ways the system can be more efficient.

We want to do that. That is absolutely the right way to go. But one of the problems with Medicare has been that it has been weak and faltering because we have not had the resources to strengthen a very strong program. Why is it strong? Because since 1965, the actuarial tables will show that there has been a decided difference in the length of life of Americans pursuant to the passage of the Medicare Act in 1965; but now we come to a crisis.

I see my good friend, the gentleman from Arkansas. I have listened to him time and time again. We both come from semi-rural areas, only because Texas is a big neighborhood, I call it. We have people coming in and out of our cities, but we claim ruralness even in our cities. The problem is, these are our neighbors. Over and over again, each of us has been to our respective senior citizen areas. I have unincorporated areas in my district and they are semi-rural, even though I represent parts of the city of Houston.

Seniors are living in these areas, sometimes left as widows or widowers in their homes. They want to be in their homes. They are able to stay because the mortgage is based upon a house that was bought 30, 40, 50 years ago. When they come to me, they are literally in tears, because I am forcing them to sell that house and maybe even move in not even with a child but a relative, or someplace that compromises the quality of life that they are used to. Why? Because they have to make choices between prescription drug benefits or paying for prescription drugs and, as well, rent and food.

So the President's plan is not a guaranteed prescription drug benefit. Seniors, listen to what we are saying. It is a proposal that forces them to go into an HMO. I do not want to be in one more meeting with close to 600 or 1,000 seniors when we are all there trying to find a solution to the HMOs who closed up shop in Houston, Texas, six of them at one time, leaving seniors without any kind of care whatsoever. We man-

aged to grab one back in, and we are hanging on by for a string right now.

Basically, what the President's plan is forces them upon the insurance process that just a few years ago collapsed when it left many of our jurisdictions; and, in particular, left seniors, without, if you will, the idea of coverage.

The other thing is it forces Medicare into privatization, or it privatized Medicare. We have seen that that does not work because, again, I point back to the closing of the HMOs. The reason they closed was not because we were not nice, if you will, subscribers, enrollees; they closed because they were not making money because there were so many of us; when I say that, too many of the seniors. It was costly because seniors were using it. Well, that is what preventative medicine is all about. That is what Medicare did, it allowed seniors to have care so they could live longer. So it does that.

We found out that privatization did not work, just to continue what I have said, because that is why we went into the Medicare system, because pre-Medicare we had a much shorter lifespan for seniors in America or Americans, a much shorter lifespan. That is because they were not intervening sufficiently early enough to either treat or prevent the disease. So privatization is not what we want to see.

Four hundred billion dollars is what I understand is the President's proposal, certainly woefully inadequate in terms of the beneficiaries that need to participate, and the cost of prescription drugs. So this is inadequate.

Again might I say, I know that the debate is, of course, about our proposal: it is \$800 billion. I am not ashamed of that, because I am sick and tired of not bringing home, if you will, the substance of what we have been promising to our seniors. It would have been less costly if we had done it 6 years ago when we were discussing it; but obviously we are projecting into the future, and it is time to do it now.

Clearly, with a \$600 billion permanent tax cut, we could substitute the \$800 billion proposal that we would have in order to ensure that we would be able to provide for these seniors.

The President's proposal also has gaps in coverage. Because we are dealing with an arbitrary budget number, beneficiaries will be forced to face a gap in coverage, and spend thousands of dollars just when they need the help most.

Specifically, I want to say this is what this means. It means that the President's plan does not specify how much seniors would have to spend before they would become eligible for catastrophic drug coverage. I think the other point is, what is catastrophic drug coverage?

So this plan is one that needs a lot of help. It also begs the question. It is like the radio interview that I was going to give this morning suggesting that I did not believe in the words "under God" in the Pledge. I do not

think it is documented anywhere that I have ever said that, and it had to be corrected.

So it is important that we correct the message and the substance of the President's plan. It is a forced privatization. It is utilizing HMOs, who may be good in every sort of way, but we have shown that if they do not make a profit, they leave. Also, it does not answer the question of when a senior is very, very sick, whether or not they are able to get prescription drugs that they need.

So I thank the gentleman very much, I say to the gentleman from New Jersey (Mr. PALLONE), I hope that we can find common ground and make the right choice, and spend the appropriate dollars effectively. I would like to see us use those dollars that we might be using for going to war for this. Certainly I would like to see it be the last option.

More importantly, I think it is crucial that seniors understand what choices they are being forced to make. I thank the gentleman for his leadership on this issue. All of us want to be able to deliver help to our seniors, no matter where we live. I think that is a very important challenge we all have to work on.

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Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman and particularly with her insight there with regard to the HMOs which are not available in many places. She is exactly right.

Mr. Speaker, I yield to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I would like to thank the gentleman from New Jersey (Mr. PALLONE), the gentlewoman from Texas (Ms. JACKSON-LEE), a State that neighbors my State, and the gentleman from North Carolina (Mr. BALLANCE), who was here tonight to talk about such an important issue.

Back in the year 2000, there was an election and everyone talked about the need to truly modernize Medicare to include medicine for our seniors. Two years went by and nothing happened. Then we had another election in the year 2002. Everyone talked about the need to truly modernize Medicare to include medicine for our seniors, and nothing happened. There are a few of us that are not going to rest until we see a Medicare prescription drug plan for America's greatest generation, our seniors.

We hear folks on both sides of the aisle talk about how seniors have to choose between their medicine and their light bill and paying their rent and their groceries. I am here tonight, Mr. Speaker, to state that that is not rhetoric. It is true. I am a small town family pharmacy owner, and before coming to Congress I saw too many seniors come through the doors of our small family pharmacy with a handful of prescriptions after going to the doctor, which Medicare covered, and hav-

ing tests run on them, which Medicare covered; and then the doctor included the medicine they needed to get well. And they would come through the door of the pharmacy with a handful of prescriptions, and sometimes even one prescription, but sometimes they could not afford that one prescription or they could not afford to take it properly.

I live in Prescott, Arkansas, a town of about 3,400 people. We do not even have a hospital anymore. But living in a small town I see seniors that come through the doors of the family pharmacy we owned back home, that could not afford their medicine; and being from a small town, I would learn that a week later that they were in the hospital 16 miles up the road in Hope, Arkansas, running up a 10 or \$20,000 Medicare bill simply because they could not afford their medicine or could not afford to take it properly.

This is America. We can do better than that by our seniors.

A few months ago, I ran into another senior citizen, a retired pharmacist in my district who happened to have been the relief pharmacist at the pharmacy my mom and dad used when I was growing up in the 1960s. She said back in those days which was not that long ago, she said if I had a prescription that cost \$5, I would go ahead and fill the next one in line while I built up enough courage to go out and tell the patient that their medicine was going to cost \$5. And I think that graphically demonstrates and tells a story about how today's Medicare was really created for yesterday's medical care.

Health insurance companies are in the business of making a profit. They have got it. They understand it. They now cover medicine. They now know it holds down the costs of doctor visits, needless hospitals stays, and needless surgeries. No one has accurately portrayed how much money we will save in Medicare part A and part B if we truly modernize Medicare to include medicine for our seniors.

Now, the President has another plan, and we have heard about his plan to provide seniors with a discount card. Anybody that watches late night TV, you can buy them every night on TV for \$7.95. And if you buy one and take it to a pharmacy, chances are you will pay more money for your prescription; and when you have a savings, you will save 50 cents to \$3. A senior with a \$600-a-month drug bill on six medications, let us give them the benefit of the doubt and say they save \$3 a prescription, saving \$18 dollars on a \$600 drug bill does not help seniors choose between their medicine and their light bill and their groceries and so forth and so on.

And now the President says we will give you some prescription drug coverage if you will sign up for this HMO and let us tell you who your doctor is going to be. That is wrong. And I am not going to rest until our seniors can walk into the pharmacy of their choice, pull out their Medicare card,

and be treated just like they are when they go to the doctor and when they go to the hospital.

HALTING ILLEGAL IMMIGRATION

The SPEAKER pro tempore (Mr. BISHOP of Utah). Under the Speaker's announced policy of January 7, 2003, the gentleman from Colorado (Mr. TANCREDI) is recognized for 60 minutes.

Mr. TANCREDI. Mr. Speaker, it will be interesting as times goes by and as we begin the debate on the budget, which will come up in a relatively short order, it will be very interesting to hear our friends on the other side who have spoken so long and eloquently tonight about the issue of prescription drugs and the problem with the President's plan. It will be interesting to hear how they address the problem with the budget. My guess is, it is just a guess, of course, when the budget is presented, it will be attacked by our friends on the other side of the aisle for being too high and having too much of a deficit attached to it.

I ask, I wonder, Mr. Speaker, if it would not be appropriate for all of us to think about the fact that the plan that is being put forward by the other side is one that would, oh, say a trillion dollars I think is the last we have seen that would attach to it in terms of cost. And my guess is again we will not hear much about that when we discuss the budget.

At any rate, tonight I do want to talk more about a different issue than the budget. I want to talk about, of course, the issue of national security and the issue of immigration and how the two actually connect to each other.

A great deal of debate is ongoing in the country about the activities that the United States will be involved with in a relatively short time perhaps in Iraq, whether or not we should be and whether or not the President is right to, in fact, address this issue in the way that he is choosing to do so. And that debate is appropriate and it is healthy in our Republic. Some aspects of it are healthy. But the one thing that I seldom hear being discussed by anyone, frankly, on either side of the issue of the United States involvement in Iraq is the actual threat that is posed by the action that we will take in that part of the world, the threat to our homeland, the threat to American citizens here in the United States. And the threat is real.

No one, for instance, believes that our armies will be defeated in Iraq. No one thinks that we will fail in the desert of Iraq. Saddam Hussein does not think that we will fail there. No one believes that that is where the final victory in this huge endeavor we are involved with will be won. It is very possible, it is even predictable, I think, that various aspects of this battle against terrorism will be fought in a variety of places around the world, and we will experience casualties in places other than the desert of Iraq.